

Pave, LLC

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Contact: Stephen Evans, Chief Compliance Officer
36 Mercer Street
Princeton, NJ 08540

This Brochure provides information about the qualifications and business practices of Pave, LLC (“Pave”). If you have any questions about the contents of this Brochure, please contact us at (609) 751-7550. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Pave is also available on the SEC’s website at www.adviserinfo.sec.gov.

References herein to Pave as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

Pave, LLC is a new investment adviser and therefore has no material changes to report.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business's fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

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Item 4 Pavey Business

- A. Pave, LLC's ("Pave") is a limited liability company formed on June 25, 2021, in the State of Delaware. Pave became registered as an investment adviser on August 1, 2021. Pave is wholly owned by EPI Holding, LLC., a Delaware Limited Liability Company.
- B. As discussed below, Pave offers non-discretionary investment management to clients. Pave does not provide financial planning services.

Risks Associated with Providing Non-Discretionary Advice

Pave provides certain advice on a non-discretionary basis in the form of separate accounts or consulting services. Such services are highly tailored pursuant to the request or needs of each client. Although Pave does not provide recommendations regarding specific securities on a security by security basis, it is possible that a client may rely on the market analysis or economic views of Pave in a way that was not intended or envisioned by Pave and to the detriment of the client. Any security Pave recommends is only on a non-discretionary basis and in the context of asset allocation, portfolio management with an objective to manage and mitigate single stock risk the client may already have in their portfolio. Pave has taken and will take action to mitigate the risk associated with any unintended use of its non-discretionary advice through the use of appropriate disclosures in its arrangements with such clients. **Client assumes all responsibility and shall accept or reject Pave's recommendations in Client's sole discretion.**

INVESTMENT MANAGEMENT SERVICES

Clients can engage Pave to provide non-discretionary investment management advice. Pave manages client non-discretionary recommendations using quantitative and algorithmic methods with interaction and oversight from Pave's portfolio manager. In any event, the portfolio manager may override the quantitative and algorithmic processes. Pave generally manages client non-discretionary recommendations using one or more proprietary investment strategies.

Pave generally will recommend clients to purchase individual securities among global equities, but may also recommend exchange-traded funds ("ETFs"), fixed income, and other asset classes or securities as may be appropriate for each client.

In performing its non-discretionary investment services, Pave shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely on information provided by the client. Each client is responsible for promptly notifying Pave if there is ever any material change in their financial situation or investment objectives so that Pave can review, and if necessary, revise its previous non-discretionary recommendations or services.

Pave does not provide financial planning and related consulting services, such as estate, tax and insurance planning. Pave and its agents do not serve as attorneys, accountants, or insurance agents. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance agents), but Pave does not receive compensation for any such

recommendation. You are under no obligation to engage the services of any recommended professional. The client is free to accept or reject any recommendation that we make. If the client engages any recommended professional, and a dispute arises thereafter, the client agrees to seek recourse exclusively from and against the engaged professional.

- C. Pave shall provide non-discretionary investment advisory services specific to needs of each client. Prior to providing investment advisory services, Pave will receive client current holdings, willingness to sell any of the current holdings and available cash client wants to be included in the analysis. Additionally, Pave will receive their particular investment objectives before making the non-discretionary recommendation. Pave will make each client's non-discretionary investment recommendation consistent with their designated investment objectives. Clients may, at any time, impose certain restrictions, on Pave's non-discretionary recommendations within the client questionnaire on Pave's application. Pave has NO discretion in determining whether any restriction request is reasonable or appropriate. Client assumes all responsibility and shall accept or reject Pave's recommendations in Client's sole discretion.
- D. Pave does not currently participate in a wrap fee program.
- E. As of [the date we receive the SEC order], Pave acts as a non-discretionary, internet only, investment adviser.

Item 5 Fees and Compensation

A. INVESTMENT ADVISORY SERVICES

Pave's monthly investment advisory fee is twenty dollars per month (\$20.00). Pave may offer discounted fees at times or may offer a discounted fee to Client's that pay annually in advance. If Client has paid the advisory fee annually in advance, but terminates during the term, Client will have a right to a refund calculated as if Client were paying month to month and Pave shall recalculate the fee for the month to month service. Any portion of the fee remaining based on the month to month calculation will be refunded to Client. In the event Client's calculation for cancellation of prepaid fees results in a balance below zero dollars (\$0.00) Client may be responsible for additional payment of fees.

- B. Clients must pay for Pave's advisory fees via credit card, check or bank transfer. In the event that Pave bills the client directly, payment is due upon receipt of Pave's invoice.
- C. In most cases, Broker-dealers through which clients execute their securities purchases and sales charge brokerage commissions and/or transaction fees (i.e. transaction fees are charged for certain mutual funds, commissions are charged for individual equity transactions, and mark-ups and mark-downs are charged for fixed income transactions). Also, clients' account custodians will charge typical custodial fees and expenses. In addition, Pave recommends mutual funds (including money market funds) and ETFs that have various internal fees and expenses (i.e. management fees), which are paid by these funds but ultimately borne by clients as a fund shareholder. These internal fees and expenses are in addition to the fees charged by Pave.
- D. **Tradeaway/Prime Broker Fees.** In some cases, Clients may choose to execute securities transactions through broker-dealers other than the account custodian, in which event, the client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and a separate "tradeaway" and/or prime broker fee charged by the

account custodian.

- E. Pave's annual investment advisory fee is pro-rated and generally paid monthly. Pave does not generally require an annual minimum fee or asset level for investment advisory services.

The Investment Advisory Agreement between Pave and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. In the event of an inter-month termination, the effective date of the termination will be the end of the current calendar month.

- F. Neither Pave, nor its representatives accept compensation from the sale of securities or other investment products.
- G. Pave recommends from time to time that clients purchase fractional shares of a particular issuer in order to meet the investment objectives and goals of the client. If a client implements this advice and places an order for less than a "round lot" or a full share of a security, the client may incur additional brokerage fees for such purchase. Clients should inquire with their executing broker whether additional brokerage commissions are charged with respect to the order of a fractional share purchase. Additionally, many brokerage firms do not guarantee the liquidity of fractional shares and may not actively make a market in such fractional shares which could cause the client to incur additional expenses in the event that the client sought to sell such fractional shares. Furthermore, if a client were to transfer its account to another brokerage firm, the broker at which a client's assets are held may not assist the client in the transfer of such fractional shares, thereby causing the client to incur further expense and delay with respect to such shares.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither Pave nor any supervised person of Pave currently accepts performance-based fees.

Item 7 Types of Clients

Pave's non-discretionary clients shall generally include individuals and high net worth individuals. These clients may be located in the United States of America or any other jurisdiction Pave is licensed and authorized to do business.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

- A. Pave engages in a primarily quantitative driven non-discretionary investment management process that examines the potential relative return of securities. Pave primarily makes non-discretionary investment recommendations using individual equity securities, but may occasionally use other securities in making non-discretionary client recommendations. Pave ranks a large universe of stocks and then labels them with a buy, sell or hold status. Using optimization and benchmarking, Pave then creates or makes non-discretionary investment recommendations for the portfolio according to the client's risk exposure and forecast of necessary investment returns. If a client seeks out greater returns, then Pave takes that information into consideration when making the non-discretionary recommendation. Pave's strategy seeks to optimize return in accordance with a client's stated risk. **Investing in securities involves risk of loss that**

clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy will be profitable or equal any specific performance levels. Client assumes all responsibility and shall accept or reject Adviser's recommendations in Client's sole discretion.

- B. Pave may engage in the following non-discretionary investment recommendations when implementing investment advice to clients:
- Long Term Purchases (securities intended to be held over a year)
 - Short Term Purchases (securities intended to be sold within a year)
 - Trading (securities intended to be sold within very short time periods)
- C. Pave's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis Pave must have access to current market information. Pave has no control over the dissemination rate of market information, and Pave may compile certain analyses with outdated market information, severely limiting the value of Pave's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable or profitable investment opportunities.

Pave's primary non-discretionary investment recommendations are Long Term Purchases, Short Term Purchases, and Trading. Every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, will generally incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a relatively short time period, and will generally incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

Below are additional risk factors associated with Pave's non-discretionary investment recommendations:

Equity Security Risk: Investing in individual stocks involves inherent risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.

Idle Assets: At any time and for a substantial length of time Pave may recommend holding a significant portion of a client's assets in cash or money market mutual funds. Investments in these assets may cause a client to miss out on upswings in the markets.

Risks Associated with Providing Non-Discretionary Advice: Pave provides certain advice on a non-discretionary basis in the form of separate accounts or consulting services. Such services are highly tailored pursuant to the request

or needs of each client. Although Pave does not provide recommendations regarding specific securities on a security by security basis, it is possible that a client may rely on the market analysis or economic views of Pave in a way that was not intended or envisioned by Pave and to the detriment of the client. Any security Pave recommends is only on a non-discretionary basis and in the context of asset allocation, portfolio management with an objective to manage and mitigate single stock risk the client may already have in their portfolio. Pave has taken and will take action to mitigate the risk associated with any unintended use of its non-discretionary advice through the use of appropriate disclosures in its arrangements with such clients. **Client assumes all responsibility and shall accept or reject Pave's recommendations in Client's sole discretion.**

Turnover Risk: Pave's non-discretionary recommendations may be tactical and may involve above-average portfolio turnover. For example, it may be recommended for your account may engage in the sale of one security and purchase another security over relatively short periods. These sales will result in a taxable event to you unless you are investing through a tax-deferred arrangement. **Client assumes all responsibility and shall accept or reject Pave's recommendations in Client's sole discretion.**

- D. Currently, Pave primarily recommends invests in individual equity stocks and ETFs on a non-discretionary basis in accordance with the client's risk profile.

Item 9 Disciplinary Information

Pave has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither Pave, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Pave, nor its representatives, are registered or currently have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Pave has no other relationship or arrangement with a related person that is material to its Pave business. Well, not exactly. Pave is affiliated with Isaly Asset Management, LLC and Systematic Alpha Investments, LLC, both of which use the same or similar algorithmic trading models that were developed by the portfolio manager of each of these investment advisers. Pave has licensed the algorithmic technology used to make its recommendations to Clients and expects that it will continue to do so without interruption.
- D. Pave does not receive, directly or indirectly, compensation from investment advisors or other professionals that it recommends or selects for its clients.

E. *INVESTMENT ADVISER AFFILIATES*

Islay Asset Management, LLC.

Islay Asset Management, LLC., a SEC-registered investment adviser, is under common control with Pave, LLC. (“Pave”), a SEC-registered investment adviser, because EPI Holding, LLC. controls all voting rights related to Islay and Pave.

EPI Holding, LLC.

EPI Holding, LLC. (“EPI”), is under common control with Islay and Pave because and it’s principals, Stephen Evans, Peter Corey, Pascal Cevaer-Corey and Edward Tedeschi act in various management capacities for EPI, Islay and Pave.

Stephen Evans serves as the Chief Compliance Officer of Islay and Pave. Mr. Evans also serves as a Manager of EPI, Pave and Islay. Pascal Cevaer-Corey serves as a manager of Pave and is greater than 10% owner of EPI. Peter Corey serves as a manager of Islay and EPI. Mr. Corey is also a greater than 10% owner of EPI. Edward Tedeschi serves as a manager of Islay and is a greater than 10% owner of EPI.

Systematic Alpha Investments, LLC.

Systematic Alpha Investments, LLC. (“SAI”), a SEC-registered investment adviser, is under common control with EPI, Islay and Pave, because SAI is wholly owned by Mr. Evans. Mr. Evans serves as the Chief Compliance Officer and various other management capacities of SAI, including but not limited to Chief Executive Officer and Chief Investment Officer. Mr. Evans also owns greater than 10% of EPI.

We expect to achieve efficiencies through a shared services arrangement with EPI, Islay and Pave and/or its affiliates to provide certain functional areas to assist in the on-going operation of EPI, Pave and Islay including tax, human resources, IT, legal and compliance.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- A. Pave maintains an investment policy relative to personal securities transactions. This investment policy is part of Pave’s overall Code of Ethics, which serves to establish a standard of business conduct for all of Pave’s Associated Persons that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940 and Rule 204A-1 thereunder, Pave maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Pave or any person associated with Pave.

- B. Neither Pave nor any related person of Pave recommends, buys, or sells for client accounts, securities in which Pave or any related person of Pave has a material financial interest.
- C. Pave and/or representatives of Pave may buy or sell securities that are also recommended to clients. This practice creates a situation where Pave and its representatives can materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it

at a profit upon the rise in the market price which follows the recommendation) could take place if Pave did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of Pave’s clients) and other potentially abusive practices.

Pave has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Pave’s “Access Persons”. Pave’s securities transaction policy requires that an Access Person of Pave must provide the Chief Compliance Officer or a designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or a designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date Pave selects; provided, however that at any time that Pave has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Pave and/or representatives of Pave may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Pave and its representatives can materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11.C, Pave has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Pave’s Access Persons.

Item 12 Brokerage Practices

- A. Prior to engaging Pave to provide non-discretionary investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Pave setting forth the terms and conditions under which Pave shall manage the client’s assets. Pave clients are responsible for establishing their own, sperate custodian or brokerage relationship to execute Pave’s non-discretionary recommendations. Clients remain responsible for selecting their own account custodian or broker.

Client assumes all responsibility and shall accept or reject Pave’s recommendations in Client’s sole discretion. Client will determine the brokers used and the commissions paid in connection with transactions for a client’s account. Given Pave’s advice is on a non-discretionary basis and client assumes all responsibility to accept or reject recommendations; when to transact and with any broker, Pave has no duty to seek to obtain “best execution” for a client.

The brokerage commissions or transaction fees charged by broker-dealers and account custodians are in addition to Pave’s management fee.

Pave’s Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above arrangement and any conflict of interests presented by these arrangements.

- 1. Pave does not currently receive referrals from broker-dealers.
- B. Given the non-discretionary investment services provided by Pave, transactions for each client account generally will be implemented independently by each client. Pave has no control over any client accounts and cannot determine when a client may or may not implement one of Pave’s recommendations in whole or in part.

Item 13 Review of Accounts

- A. Because Pave is a non-discretionary investment adviser, Pave has no ability to review performance returns and risk profiles for clients. Pave regularly tests and reviews the non-discretionary, quantitative investment software to ensure the models and recommendations fit within the client's investment profile.
- B. Pave may also conduct software reviews upon the occurrence of a triggering event, such as an abnormal result from an internal test, report or complaint from a client of abnormal recommendations, poor performance relative to a benchmark given the client's specific constraints and risk tolerance, change in economic conditions, market corrections and client request.
- C. Clients should expect to be provided with transaction confirmation notices and regular summary account statements directly from the account's custodian. If a Client does not receive transaction confirmations and summary account statements, they should contact their custodian or broker directly.

Item 14 Client Referrals and Other Compensation

- A. Clients should review Item 12 above for information about economic benefits that Pave may, from time to time, accept from various broker-dealers and account custodians.
- B. Pave does not currently pay referral fees for client introductions.

Item 15 Custody

Clients should be provided with transaction confirmation notices and regular summary account statements directly from the account custodian. If a Client does not receive transaction confirmations and summary account statements, they should contact their custodian or broker directly.

To the extent that Pave provides clients with periodic reports of advice provided or securities recommended, the client is urged to compare any report provided by Pave with the account statements received from the account custodian. In the event of any discrepancies, the client's custodian is the accurate books and records for any individual client. Because Pave's advice is non-discretionary and Pave is unaware of the actual pricing of any of the recommendations that may or may not have been executed, any report produced by Pave that provides performance information is likely to be inaccurate.

Item 16 Investment Discretion

Clients can engage Pave to provide investment advisory services on a non-discretionary basis only. **Client assumes all responsibility and shall accept or reject Pave's recommendations in Client's sole discretion.** Prior to Pave making any non-discretionary recommendations related to a client's account, the client shall be required to execute an Investment Advisory Agreement with Pave outlining the terms of the relationship and each party's responsibilities.

Clients may, at any time, impose reasonable restrictions, in the application, on Pave's non-

discretionary investment recommendations. Pave's non-discretionary investment recommendation will be impacted by these restrictions and the software will take them into account when making recommendations.

Item 17 Voting Client Securities

- A. Client maintains all control over all voting rights related to their respective account. Client votes proxies for securities over which it maintains control and authority.

Clients are responsible for and may determine to vote or not to vote a proxy or proxies for a particular solicitation for a number of reasons, including a determination that the client's number of votes would create an administrative burden without a substantial benefit.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. Pave has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. Pave also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, Pave has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients. Where Pave receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials to the client. Electronic mail is acceptable where appropriate and where the client has authorized contact in this manner.

Item 18 Financial Information

- A. Pave does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Pave is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its non-discretionary investment recommendations related to client accounts.
- C. Pave has not been the subject of a bankruptcy petition.

ANY QUESTIONS: Pave's Chief Compliance Officer, Stephen Evans, remains available to address any questions that a client or prospective client may have regarding this brochure.